

the rate imposed for a minimum of one year. A local hotel and motel tax shall terminate only on March ~~31~~ thirty-first, June ~~30~~ thirtieth, September ~~30~~ thirtieth, or December ~~31~~ thirty-first. At least sixty days prior to the tax being effective or prior to a revision in the tax rate, or prior to the repeal of the tax, a city or county shall provide notice by certified mail of such action to the director of revenue.

A city or county shall impose a hotel and motel tax or increase the tax rate, only after an election at which a majority of those voting on the question favors imposition or increase. The election shall be held at the time of that city's or county's general election.

Sec. 2. This Act, being deemed of immediate importance, shall take effect from and after its publication in The Marion Sentinel, a newspaper published in Marion, Iowa, and in The Manchester Press, a newspaper published in Manchester, Iowa.

Approved June 6, 1979

I hereby certify that the foregoing Act, House File 662, was published in The Marion Sentinel, Marion, Iowa on June 14, 1979, and in The Manchester Press, Manchester, Iowa on June 13, 1979.

MELVIN D. SYNHORST, *Secretary of State*

CHAPTER 100

BONDS PAYABLE FROM SLEEPING ROOM TAX

H. F. 632

AN ACT relating to the issuance of bonds to be paid from the revenues received from a local hotel and motel tax, the payment of the principal and interest of the bonds and the limitation on the levying of a tax to aid in the payment of the bonds.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section four hundred twenty-two A point one (422A.1), unnumbered paragraphs two (2) and three (3), Code 1979, are amended to read as follows:

A local hotel and motel tax shall be imposed on January 1 first, April 1 first, July 1 first, or ~~September-1~~ October first, following the notification of the director of revenue. Once imposed, the tax shall remain in effect at the rate imposed for a minimum of one year. A local hotel and motel tax shall terminate only on March ~~31~~ thirty-first, June ~~30~~ thirtieth, September ~~30~~ thirtieth, or December ~~31~~ thirty-first. At least sixty days prior to the tax being effective or prior to a revision in the tax rate, or prior to the repeal of the tax, a city or county shall provide notice by certified mail of such action to the director of revenue.

A city or county shall impose a hotel and motel tax or increase the tax rate, only after an election at which a majority of those voting on the question favors imposition or increase. However, a hotel and motel tax shall not be repealed or reduced in rate if obligations are outstanding which are payable as provided in section four hundred twenty-two A point two (422A.2) of the Code, unless funds sufficient to pay the principal, interest and premium, if any, on the outstanding obligations at and prior to maturity have been properly set aside and pledged for such purpose. The election shall be held at the time of that city's or county's general election.

Sec. 2. Section four hundred twenty-two A point two (422A.2), subsection four (4), paragraph c, Code 1979, is amended to read as follows:

c. Any city or county which levies and collects the hotel and motel tax authorized by this chapter may pledge irrevocably an amount ~~not--to--exceed thirty--percent~~ of the revenues derived therefrom for each of the years the bonds remain outstanding to the payment of bonds which the city or county may issue for one or more of the purposes set forth in paragraph "a" of this subsection. Any revenue pledged to the payment of such bonds may be credited to the spending requirement of paragraph "a" of this subsection.

Sec. 3. Section four hundred twenty-two A point two (422A.2), subsection four (4), Code 1979, is amended by adding the following new paragraphs:

NEW PARAGRAPH. The provisions of division three (III) of chapter three hundred eighty-four (384) of the Code relating to the issuance of essential corporate purpose bonds apply to the issuance by a city of bonds payable as provided in this section and the provisions of chapter twenty-three (23) of the Code relating to the issuance of county bonds apply to the issuance by a county of bonds payable as provided in this section. The provisions of chapter seventy-six (76) of the Code apply to the bonds payable as provided in this section except that the mandatory levy to be assessed pursuant to section seventy-six point two (76.2) of the Code shall be at a rate to generate an amount which together with the receipts from the pledged portion of the hotel and motel tax is sufficient to pay the interest and principal on the bonds. All amounts collected as a result of the levy assessed pursuant to section seventy-six point two (76.2) of the Code and paid out in the first instance for bond principal and interest shall be repaid to the city or county which levied the tax from the first available hotel and motel tax collections received in excess of the requirement for the payment of the principal and interest of the bonds and when repaid shall be applied in reduction of property taxes.

The amount of bonds which may be issued under section seventy-six point three (76.3) of the Code shall be the amount which could be retired from the actual collections of the hotel and motel tax for the last four calendar quarters, as certified by the director of revenue. The amount of tax revenues pledged jointly by other cities or counties may be considered for the purpose of determining the amount of bonds which may be issued. If the hotel and motel tax has been in effect for less than four calendar quarters, the tax collected within the shorter period may be adjusted to project the collections for the full year for the purpose of determining the amount of the bonds which may be issued.

NEW PARAGRAPH. A city or county, jointly with one or more other cities or counties as provided in chapter twenty-eight E (28E) of the Code, may pledge irrevocably any amount derived from the revenues of the hotel and motel tax to the support or payment of bonds issued for a project within the purposes set forth in paragraph a of this subsection and located within one or more of the participatory cities or counties or may apply the proceeds of its bonds to the support of any such project. Revenue so pledged or applied shall be credited to the spending requirement of paragraph a of this subsection.

NEW PARAGRAPH. Bonds shall not be issued payable as provided in this section unless the issuance of the bonds has been authorized by an election, or the bonds are issued prior to November 1, 1982 payable from a hotel and motel tax which was authorized at an election held prior to July 1, 1979.

Approved June 7, 1979

CHAPTER 101
CHAIN STORE TAX

S. F. 51

AN ACT to repeal the chain store tax.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Chapter four hundred twenty-four (424), Code 1979, is repealed.

Sec. 2. This Act is effective on June thirtieth following its enactment.

Approved June 1, 1979